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Sent: Friday, November 06, 2009 11:25 AM

To: Hanlon, Kathy [LEGIS]

Cc: difindley; Foss, Diane [IDED]; jerrya@sppg.com; greer sisson; Rob Denson; Scott, Rachel [DHR]; Buck, Elisabeth [IWD]

Subject: Follow-Up to Job Training Needs Study Committee Meeting

Hi Kathleen.

This e-mail is a follow-up to the Legislative Job Training Needs Study Committee meeting held on November 3rd. Please forward it to Members of the Committee.

I spoke with Senator Dotzler and Representative Ford after the meeting and thanked them for focusing on the job training issues and for looking for ways to ensure that the jobs of the future were good jobs that lowans would want to enter and remain in. I appreciated their comments during the meeting, and the comments of others, that indicated a strong intent to, as Representative Ford stated, "get serious about the challenge."

I indicated to both that the direct care worker (the unlicensed certified nurse aides, home health aides, personal care attendants and others that work on the front lines in nursing homes, assisted living centers and a variety of home and community-based settings) would be a great area for focus of the committee. Direct care workers are one of the largest employee populations in Iowa and one of the occupations with the greatest demand for new workers. (See the Fact Sheet attached.)

Unfortunately, these critically important jobs have been ones that, historically, have been low pay jobs with poor benefits and inadequate training. That reality has led to a "revolving door" occupation that too many people enter and quickly leave...annual turnover runs between 60 and 80% in nursing facilities in Iowa. The results of that level of turnover are that 1. the quality of care for our friends and family suffers and 2. tax dollars are neither efficiently or effectively used (the annual cost to simply fund turnover -- to hire and train new people -- runs over 40 million dollars!)

Most lowans, I believe, would say that investing in turnover rather than retention makes no sense.

The leadership of Senator Dotzler, Representative Ford and the Committee Members--as well as the interest and involvement of folks like Director Buck of IWD, Rob Denson and Steve Ovel of the Community College system, representatives of job training programs, Greer Sisson at DOL, and many others--creates real opportunity to shift the way we think about and structure direct care jobs.

That opportunity allows us to create direct care jobs that offer a livable wage, a reasonable benefit package, high quality initial and continuing training, etc. Doing so will allow Iowa to effectively respond to a high demand/high growth occupation.

The Iowa CareGivers Association looks forward to working with the Committee and the many panel members and others, to address these fundamental and critically important workforce issues.

Thanks for everyone's work -- it's timely and essential!

John Hale
Policy Director
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Iowa's Direct-Care Workforce

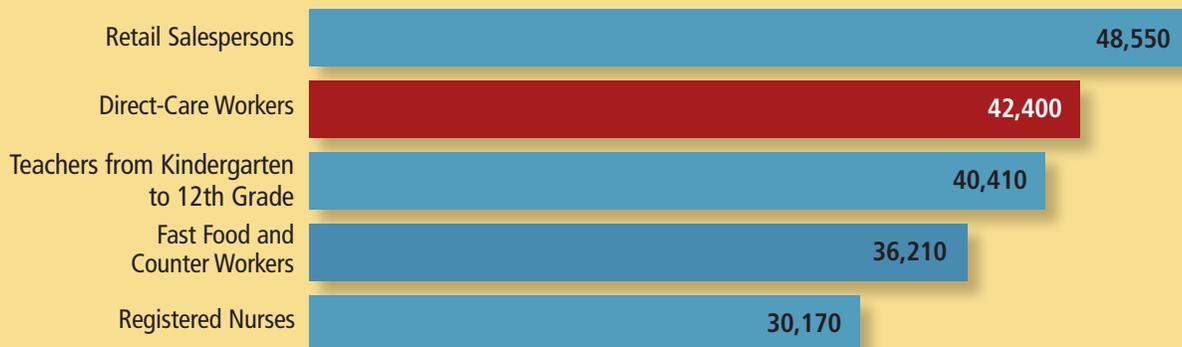
Iowa's direct-care workers are the state's "frontline" paid caregivers who provide daily living services and supports to persons with disabilities and chronic care needs, including the elderly and those with physical or intellectual and developmental disabilities (ID/DD). The majority of these staff work in the consumer's home, or in residential or community-based settings such as nursing homes, assisted living facilities, and group homes.

In standardized government surveys of employment and compensation, direct-care workers are officially counted as Personal and Home Care Aides;¹ Home Health Aides;² and Nursing Aides, Orderlies and Attendants.³ The first occupational category also includes direct support professionals—workers who provide services and supports to individuals with ID/DD. A growing number of direct-care workers are independent providers working directly for consumers. These workers tend to be heavily undercounted by government surveys.

A sizeable workforce

According to the U.S. Department of Labor, **Iowa's direct-care workforce today totals at least 42,400 workers and is larger than almost any other occupational grouping in the state.**⁴

Iowa's Largest Occupational Groups



The Iowa Direct Care Worker Task Force, established by the General Assembly in 2005, has found that the state lacks the infrastructure for accurately tracking the number of direct-care workers across all settings. The Council estimates that this workforce, including heavily undercounted independent providers, could total as many as 75,000 to 100,000 workers.⁵

Among the state's fastest-growing occupations

Projected demand estimated by Iowa Workforce Development calls for **an additional 10,000 new direct-care positions over the period 2006 to 2016.**

The fastest-growing direct-care jobs in Iowa are in home and community settings.

Demand for these positions is projected to increase at *over three times* the rate of all jobs in the state (12 percent). Over the period 2006 to 2016, job openings for Personal and Home Care Aides are expected to expand by 36 percent and those for Home Health Aides by 43 percent.

Home and Community-Based Jobs Growing the Fastest

Occupation	Employment change	Percent change
Home Health Aides	4,300	43.2%
Personal and Home Care Aides	2,095	36.4%
Nursing Aides, Orderlies, and Attendants	3,610	16.6%
All Direct-Care Workers	10,005	26.7%

Not only are direct-care jobs in Iowa among the **state's top ten fastest-growing jobs**, but **they are also on the list of occupations expected to generate the greatest number of jobs.** In fact, direct-care jobs are two of only four occupations in Iowa that meet the criteria of being both the fastest growing and the jobs expected to generate the most positions by 2016.

Fastest-Growing Occupations Generating the Most Jobs, 2006–2016

Occupation	Percent change	Employment change
1 Home Health Aides	43.2%	4,300
2 Computer Software Engineers, Applications	42.9%	1,470
3 Personal & Home Care Aides	36.4%	2,095
4 Customer Service Reps	28.6%	6,860

Uncompetitive wages

The median hourly wage for all occupations in Iowa was \$14.15 in 2008. In sharp contrast, **wages for Personal and Home Care Aides in Iowa fall between 150 percent (\$7.50) and 200 percent (\$10.00) of the federal poverty level for a single person.** The 200 percent poverty level is low enough to qualify households for many state and federal assistance programs. Wages for Nursing Aides and Home Health Aides are slightly higher, yet still far below the state's median wage.

Median Wages for Direct-Care Workers in Iowa, 2005–2008

Occupation	2005	2006	2007	2008
Personal & Home Care Aides	\$9.01	\$9.37	\$9.50	\$9.42
Home Health Aides	\$9.24	\$9.41	\$10.14	\$10.13
Nursing Aides, Orderlies & Attendants	\$10.27	\$10.51	\$10.85	\$11.12
All Occupations	\$12.84	\$13.23	\$13.68	\$14.15

Uncompetitive wages are a problem because Iowa's core labor pool is declining as the state's population ages. Over the period 2006 to 2016, demand for 10,000 new direct-care worker positions is expected. But at the same time, **the number of women aged 25-54 projected to enter the Iowa labor force is expected to decline by over 22,000.**

Inadequate health coverage

About a quarter of direct-care workers in Iowa and other neighboring states report having no health insurance. Just over half of direct-care workers in the region receive coverage from their employers. (See table below for regional definition.)

Health Insurance Coverage for Direct-Care Workers, 2005–2007

Health Insurance Coverage	Iowa and other West North Central States* (%)	United States (%)
Uninsured	24.0%	27.2%
Employer provided, private	54.3%	52.7%
Other private	9.7%	5.9%
Public	12.0%	14.2%

*The **West North Central Region** includes: MN, IA, MO, ND, SD, NE, and KS.

Public subsidies required to meet basic needs

Earnings and labor force participation. Annual earnings for direct-care workers in Iowa and neighboring states averaged only \$16,000 during the period 2005 to 2007. About half of direct-care workers in this region (51 percent) are employed part time.

Poverty status. Of direct-care workers in Iowa and nearby states, 44 percent live in households with incomes at or below 200 percent of the federal poverty line.

Reliance on public benefits. Nearly 40 percent of direct-care workers in Iowa and surrounding states rely on some form of public assistance, such as Medicaid or food stamps.

Endnotes

- 1 *Personal and Home Care Aides* may work in either private or group homes. They have many titles, including personal care attendant, personal assistant, and direct support professional (the latter work with people with intellectual and developmental disabilities). In addition to providing assistance with activities of daily living (ADLs)—such as eating, dressing, bathing, and toileting—these aides often help with housekeeping chores, meal preparation, and medication management. They also help individuals go to work and remain engaged in their communities. A growing number of personal assistance workers are employed and supervised directly by consumers.

- 2 *Home Health Aides* provide essentially the same care and services as nursing assistants, but they assist people in their own homes or in community settings under the supervision of a nurse or therapist. They may also perform light housekeeping tasks such as preparing food or changing linens.
- 3 *Nursing Assistants or Nursing Aides* generally work in nursing homes, although some work in assisted living facilities, other community-based settings, or hospitals. They assist residents with ADLs, and also perform clinical tasks such as range-of-motion exercises and blood pressure readings. In some states, they may also administer oral medications.
- 4 See first item in “Data Sources” below.
- 5 See IA Direct Care Worker Taskforce (May 2008) Recommendations for Establishing a Credentialing System for Iowa’s Direct Care Workforce, p. 11; available at: http://www.idph.state.ia.us/hpcdp/common/pdf/workforce/task_force_report_2008.pdf.

Data Sources

Occupational employment data are for 2008 and are available at the U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) Program, available at <http://www.bls.gov/oes/tables.htm>. The count of 42,400 direct-care workers consists of: 4,600 Personal & Home Care Aides; 10,670 Home Health Aides; and 21,230 Nursing Aides, Orderlies & Attendants. An additional 5,900 Independent Providers working directly for consumers under publicly-funded programs have been added, an estimate provided by AFSCME Iowa, Council 61.

Occupational projections data are from: Iowa Workforce Development, available at: <http://iwin.iwd.state.ia.us/iowa/ArticleReader?itemid=00003928>.

Wage data are from the U.S. Department of Labor, Bureau of Labor Statistics, Occupational Employment Statistics (OES) Program, available at: <http://www.bls.gov/oes/tables.htm>.

Data on health insurance coverage, earnings, labor force participation, poverty status and reliance on public benefits are from PHI analysis of U.S. Census Bureau, Current Population Survey, pooled data from the 2006, 2007, and 2008 Annual Social & Economic (ASEC) **Supplements for the West North Central Region** (MN, IA, MO, ND, SD, NE, KS).



IOWA CareGivers
ASSOCIATION

Information, support, and advocacy for those who perform direct care. ICA also conducts market research relative to staff recruitment and retention.

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PHI (www.PHInational.org) works to improve the lives of people who need home and residential care—and the lives of the workers who provide that care. Using our workplace and policy expertise, we help consumers, workers, employers, and policymakers improve eldercare/disability services by creating quality direct-care jobs. Our goal is to ensure caring, stable relationships between consumers and workers, so that both may live with dignity, respect, and independence.

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Also see PHI PolicyWorks, our policy website: www.PHInational.org/policy

